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THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

IT 057

INCOMING

DATE RECEIVED: FEBRUARY 12, 1987

NAME OF CORRESPONDENT: THE HONORABLE LINDLEY S. SLOAN

SUBJECT: SUBMITS THE 9TH ANNUAL REPORT OF THE  
JAPAN-UNITED STATES FRIENDSHIP COMMISSION  
COVERING ITS ACTIVITIES IN FISCAL YEARS  
1985-86

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
RONALD GEISLER		ORG	87/02/12		C 871021/13 AB
<del>PPJOHN</del>	REFERRAL NOTE: _____	A	871021/17	AB	C 871024/18
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# Japan-United States Friendship Commission

460694

1200 Pennsylvania Avenue, N.W., Room 3416  
Washington, DC 20004  
Area Code 202 275-7712

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**Dr. Glenn Campbell**  
Director, Hoover Institution  
Stanford University

Executive Director:  
**Lindley S. Sloan**

Associate Executive Director:  
**Eric J. Gangloff**

Vice Chairman:  
**Garrett N. Scalera**  
President  
Tokyo Institute of Policy Studies

February 9, 1987

The President  
The White House

Dear Mr. President:

In compliance with Section 5(b) of the Japan-United States Friendship Act (Public Law 94-118), I have the honor to submit to you the Ninth Annual Report of the Japan-United States Friendship Commission, covering the Commission's activities in Fiscal Years 1985-86.

The Commission uses its limited resources to support a wide spectrum of educational and cultural activities, and these in turn underpin a bilateral relationship of enormous importance. In recent years, the Commission has given special attention to the trade and defense issues which have caused friction between the two allies. The volume of requests for assistance from the Commission shows no sign of diminishing, which suggests that the need to create opportunities for the peoples of Japan and the United States to study and understand each other remains as compelling as when the Commission was established.

Respectfully yours,



Lindley S. Sloan  
Executive Director

Enclosure.

日米友好基金

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The Japan-  
United States  
Friendship  
Commission

Annual Report 1985-1986

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# The Japan- United States Friendship Commission

*The Japan-United States Friendship Commission, an independent federal agency dedicated to promoting mutual understanding and cooperation between the United States and Japan, administers grant programs in the following areas:*

- *Japanese Studies in the U.S.*
- *American Studies in Japan*
- *Policy Oriented Research*
- *The Arts*
- *Public Affairs/Education*

## A Message From the Chairman

I am pleased to present the Commission's Annual Report for the Fiscal Years 1985 and 1986.

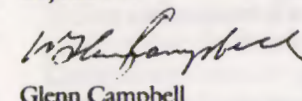
Relations between the United States and Japan, particularly in the economic sphere, continue to figure prominently in the news and to demand the attention of our businessmen, scholars and policymakers. Throughout the ebb and flow of debate on economic problems, the basic validity of the Commission's mission — to promote long-term friendship and understanding between the two countries — is apparent. Demonstrating this conviction, the Commission made 127 grants in both FY 1985 and 1986, and spent \$2,295,124 and Yen 311,375,011 during FY 1985 and \$1,600,931 and Yen 355,152,362 in FY 1986 to promote the objectives of the Friendship Act. (The lower FY 1986 figure is due to the Congressionally mandated cut in the Commission's funding for that year.) These objectives are pursued through encouragement of Japanese area and language studies in the United States, development of American studies in Japan, support of policy-oriented research in both countries, exchanges in the arts, and programs in public affairs/education.

The Commission's largest single grant was again to the Inter-University Center for Japanese Language Studies in Tokyo, at which thirty-two carefully selected American students pursue advanced language training on a full academic year, total immersion basis. Reflecting a priority concern with policy issues and public affairs, the Commission also made large grants for the U.S.-Japan Economic Agenda and the West Coast Forum on the Japanese Political Economy — programs designed to bring the efforts of scholars, businessmen and government officials to bear on U.S.-Japan economic frictions. Substantial grants were made for scholarly research on Japan, as well as for fellowships in Japanese studies for non-Japan specialists in economics, law, journalism and education. The Commission's effort to introduce material relating to Japan into the curricula of American graduate schools of business continued to attract the interest of leading universities and corporations. In a similar vein, the Commission's program to train Japanese professors at American universities so that they can introduce courses in their institutions on various American subjects grew rapidly.

Aided by a generous gift from the Japanese Government, a program to establish and expand the public affairs programming of "Japan-America" societies

throughout the country expanded in numbers and accomplishment and, in so doing, demonstrated a growing interest and need for information on U.S.-Japan relations at the local level. Commission grants for research on trade, defense, education, labor, health, nuclear power, high tech industry, transfer of technology and other subjects promise new insights into the complexities and potential of the U.S.-Japan relationship.

Eleven years ago, the Commission was established to assist in building the foundations of friendship and understanding between the United States and Japan, not to deal with the immediate problems that now beset the relationship. Given the urgency of the times, however, the Commission believes it essential that more of its energy and resources be devoted to supporting research and public affairs activities directed toward analyzing and ameliorating current issues between the two countries. With the support of the Congress and an increasingly aware public, the Commission feels it can make an important contribution to these two objectives.



Glenn Campbell  
Chairman

## The Japan-United States Friendship Commission 1985-86

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Director, Hoover Institution  
Stanford University

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President, Tokyo Institute of Policy Studies

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## The Japan-United States Friendship Commission in 1985-86

In compliance with the provisions of P.L. 94-118, as amended, the Japan-United States Friendship Commission is pleased to submit to the President and to the Congress this report on its ninth and tenth years of operations covering the period from October 1, 1984 to September 30, 1986, which corresponds to the Federal Fiscal Years 1985 and 1986.

### Background and Overview

The Japan-United States Friendship Commission is an independent Federal agency, dedicated to promoting mutual understanding and cooperation between the United States and Japan. Although governmental, the Commission operates much like a private foundation.

In passing the Japan-United States Friendship Act (P.L. 94-118) in 1975, the Congress acknowledged the unique character and great importance of the relationship between Japan and the United States, and in particular the need to strengthen its foundation through educational and cultural exchange programs at the people-to-people level. It was searching for the means to develop the knowledge, the leaders, and the friendly associations which in turn would improve the likelihood that any problems that might arise on the national level could be resolved on a basis of mutual understanding and respect.

To carry out these efforts, the Congress established the Commission, the only

Federal agency whose sole purpose is to promote friendship and understanding with a single foreign country. In the Friendship Act, it also appropriated the Japan-United States Trust Fund, an endowment denominated in both yen and dollars with a combined value of approximately \$36 million at the exchange rates then in effect. These two funds represented a portion of the money paid by Japan to compensate the United States for post-World War II assistance, and for certain public facilities on Okinawa at the time of the reversion of the Ryukyus Islands. The former payment became the yen fund and the latter the dollar fund. The Commission was authorized to invest the Fund in government obligations, and to expend the interest earnings, subject to annual appropriation thereof, and up to five percent annually of the original principle of the Fund to carry out the purposes of the Act. In 1982, the Act was amended to permit the Commission to invest such gifts as it may receive and to spend the principal and interest earnings thereof without reference to the appropriation process.

It does not require special insight to comprehend that the mission given to the Commission remains valid. The relationship between Japan and the United States has no counterpart. In sheer size, in its variety and complexity, and in its mixture of cooperation with competition, friendship with rivalry, it stands alone.

This association rests, however, on a narrow and fragile base. Obviously, as the history of the past thirty years demonstrates, the United States and Japan have much in common in terms of broad

national objectives, but that record also shows that centuries-old differences in thought patterns, value systems, social and economic behavior, decision-making processes and means of communication can readily lead to mutual misunderstanding and friction. Moreover, there is a language barrier that seems all but insurmountable, especially for Americans, and a severe imbalance in the amount of attention that the two countries devote to each other. American understanding of Japan suffers from lack of knowledge and simple ignorance and inattention. Serious students of Japan or individuals interested in making a career out of some facet of the U.S.-Japan relationship are proportionately few. The American public view of Japan is not shaped by sustained and well-informed analysis and discussion, and much of the media coverage arises during some period of crisis or dispute and the interpretation takes place within a narrow political or economic focus.

Japan's problems in understanding America are different. The Japanese public is exposed to far more material on the United States than Americans are on Japan; the problems lie in the uneven quality of interpretation and the type of material chosen for presentation. Japan's highly centralized educational system largely ignores the United States, and the closed character of much of Japan's intellectual life makes formal study of the United States difficult. Things American are extravagantly covered in the Japanese media but this is not balanced by extended or serious treatment of the United States in university curricula. American pop culture is readily adopted, but America's enduring cultural achievements receive little recognition, study or exposure.

The Commission attempts, in accordance with its mandate, to address these discrepancies. It funds projects that promise, over the long term, to improve mutual understanding between the Japanese and American people by enhancing the quality and extent of educational opportunities in both countries, by expanding artistic and cultural exchanges, and by fostering wide-ranging and balanced programs on contemporary issues in the bilateral relationship. The Commission is under no illusions that its efforts alone will eliminate all sources of misunderstanding or occasions for friction. It does believe that as a principal source of American funds for educational and cultural exchanges, research, and public affairs, its programs have a catalytic effect on activities of many kinds that can lead to mutual understanding and cooperation.

### **Demands on the Fund**

The Commission awarded more grants in FY 1985 and 1986 — 127 in each year — than in any previous year.

Program outlays of appropriated funds totaled \$2,295,124 and ¥311,375,011 for FY 1985, and \$1,600,931 and ¥354,982,361 for FY 1986. Japanese Government Gift Fund (non-appropriated) outlays amounted to \$463,663 for FY 1985 and \$1,430,900 for FY 1986.

Expenditures from the dollar appropriated fund exceeded investment and other income by \$681,110 for FY 1985, representing a 3.78 percent drawdown of the Commission's originally appropriated dollar principal. This expenditure rate reflects a Commission decision, affirmed at its

April 1985 policy meeting, to maximize the impact of Commission programming by spending the interest earnings plus up to the entire authorized five percent of the original principal, quality of grant proposals permitting.

The lower FY 1986 dollar outlays, on the other hand, reflect a decision by the U.S. Congress to appropriate only approximately 50 percent of the Commission's interest earnings for that year. Given the approval of virtually its full appropriations request for FY 1987, the Commission will be able to operate at normal levels. It is anticipated that demands on the dollar fund will continue to grow. These demands will be exacerbated by the increasingly lower rates of return on the Commission's dollar investments — limited by law to U.S. Treasury securities.

In previous years, the Commission experienced greater pressure on its dollar (as compared to its yen) fund, and attempted to relieve that pressure by transferring as many obligations as possible to the yen fund, largely through dual grants in instances where both currencies could be used. With the steady development of the Commission's program in Japan, FY 1986, however, saw the first significant drawdown of the yen fund. This pressure is likely to continue — given increased programming activities in Japan and a decline in interest rates on Japanese government bonds.

## **Program Highlights**

### **1. Japanese Studies in American Education**

While the Commission's resources were concentrated on well-established programs in higher education, increased attention was also given to nontraditional centers of Japanese Studies. To help maintain the best facility available to Americans for advanced study of the Japanese language, the Commission again provided its largest single grant in FYs 1985 and 1986 to the Inter-University Center for Japanese Language Studies in Tokyo. Jointly supported with the Department of Education, the Japan Foundation, and twelve American universities, this institution provides advanced language training to over thirty carefully selected American students on a full-year, total immersion basis. While in earlier years most of the students were headed for academic careers in Japanese Studies, a recent trend is bringing to the Center more young lawyers, economists, engineers, scientists and businessmen who have realized the importance of the Japanese language to their professional interests. Other long-term efforts included grants to ten American universities with major Japanese library collections for further acquisitions of research materials, improvements in inter-library cooperation, and service to other libraries, scholars and public entities interested in Japan in their respective areas of the United States. In the realm of scholarly research, grants were given to the Social Science Research Council for three collaborative research projects dealing with Japanese society, economic policy, and the media, and for



support of postdoctoral research in Japan by established American scholars selected through a national competition. Scholarship on Japan is also furthered through the efforts of the Northeast Asia Council of the Association for Asian Studies, which utilizes a Commission grant to support research, travel, regional seminars, language teaching workshops, and a Distinguished Lecturer series, especially with a view to the needs of the "isolated" Japan scholar outside the major academic centers.

In an effort to remedy critical shortages of Japan specialists in the key fields of economics, law and journalism, the Commission has worked with major universities to offer a series of fellowships to outstanding graduate students in these fields. These programs normally involve intensive study of the Japanese language as well. Through such graduate fellowship programs as that offered by the Committee on Japanese Economic Studies, administered by the University of Michigan, the number of Americans trained to deal with Japan in these vital areas has increased significantly in recent years, yet is still far short of the demand.

Japanese business practices is another area in which the Commission has stimulated necessary academic attention. Four major universities — the University of California at Los Angeles, Stanford, Cornell, and New York University — have received matching grants over a three-year period to conduct research leading to the introduction of material relating to Japan into the curricula of their graduate schools of business. Some institutions, including the Lauder Institute and the Wharton School

of the University of Pennsylvania, and the University of South Carolina, utilize Commission funds to incorporate Japanese language training into their MBA degree requirements.

In an effort to stimulate the development of Japanese Studies and to encourage institutional relationships between American and Japanese universities, the Commission made a number of grants supporting faculty exchange, curriculum development, fellowships and publication. These often involved institutions and organizations which had not heretofore been concerned with Japanese affairs. As interest in Japan and its impact on American society grows, the Commission anticipates increased developmental activity of this type.

## *2. American Studies in Japanese Education*

The Commission sponsors the development of American Studies for Japanese university students, academics, research scholars and the general public. It emphasizes long-range programs to help maintain the skills of scholars and teachers of American subjects and to help establish new university courses in the study of the United States.

In 1983 the Commission established a program to fund the training of younger Japanese faculty members in American subjects in U.S. universities. In return, the home university agrees to create a permanent new course in the subject of study and to assign the exchange faculty member to teach it upon return to Japan. In

the past two years grants in this program were awarded to Keio and Hosei Universities among private schools, and Osaka and Kobe Universities among national schools. The subjects of study under these grants included American history, economy and political science. The Commission assists other universities with grants to engage Japanese lecturers on a visiting basis to teach courses on American subjects for full course credit. Five such courses were offered on Commission funds in FY 1985, and six in FY 1986, in locations ranging from Hokkaido to Okinawa.

The Commission again provided funds to bring Japanese scholars into direct contact with American peers through seminars and conferences, to help them keep abreast of the most recent trends in their fields. One approach is sponsorship of two major summer seminars — at Kyoto and Sapporo — that bring American academics to Japan for in-depth discussions on focused topics in American Studies. Another such project is the Commission-sponsored Center for Japan-U.S. Exchanges in the Humanities and Social Sciences at Osaka University, which hosts a year-long series of seminars, workshops and courses, featuring American lecturers working in conjunction with Japanese colleagues. A second means of fostering direct contacts is the Commission's program to send Japanese scholars to American Studies conferences abroad, administered by the American Studies Foundation of Japan. All four programs received major Commission grants in FY 1985 and 1986.

The Commission annually funds library and research centers on the U.S. at major universities that serve academic institutions and scholars throughout Japan. The

major recipients for both FY 1985 and 1986, as in previous years, were the American Studies Centers at Tokyo and Doshisha Universities. The Commission also sponsors an American Studies Book Prize, rotating annually among the fields of literature, history and civilization, and the social sciences, for the best work published in the previous three years. The 1984 Prize in social sciences was awarded to Mr. Atsushi Kusano of International University for his study of the U.S.-Japan citrus negotiations; the 1985 Prize in literature was awarded to Mr. Katsuhiko Inada of Hiroshima University.

The Commission provides fellowships for research in the U.S. in the humanities and social sciences for periods of up to two years through the American Council for Learned Societies (ACLS). In the 1986-87 academic year, the ACLS humanities program was suspended during a period of financial and administrative reorganization, with full expectation of beginning again in the fall of 1987. The Nitobe Fellowships in the Social Sciences, administered annually by International House of Japan, sponsored two first-year and two second-year fellows in both FY 1985 and 1986 under Commission support. In addition, the Commission continued sponsorship of the SPENG Program, which offers an intensive summer course at Cornell University in English training and social orientation to the U.S. for Japanese scholars who plan to carry on research at an American university the following academic year. In all these programs, the Commission shared total costs with other funding agencies, both public and private, both American and Japanese.

### 3. Policy-Oriented Research

Over the past two years the Commission has made a concerted effort to encourage the submission of research proposals which promise to throw light on the underlying problems affecting the U.S.-Japan relationship. The Commission has hoped that the results of some of these research efforts would be pertinent to those concerned with Japan in the Congress, the various branches of the Executive, think-tanks, academia, and the media. In addition to those projects dealing directly with U.S.-Japan economic, political and security policies, the Commission has also been interested in research directed at domestic problems of common interest to the two countries, e.g., educational reform, environmental control, urban development, energy, transfer of technology, aging, etc. The principal objective of the latter type of research is to share experience and innovation in various fields for mutual benefit. In both areas, collaborative projects involving Japanese and American researchers have been considered particularly desirable.

The largest undertaking to date in this category has been a two-year, binational study of the U.S. and Japanese educational systems, which has been carried out by experts in the Department of Education, nongovernment Japan experts, and their Japanese counterparts. The study, which was published in January 1987, provides interesting insights into the relevance and applicability of various aspects of Japanese education to perceived weaknesses in the American education system.

The Commission's major effort in the economic policy area has been support for the U.S.-Japan Economic Agenda — a research cum public affairs project sponsored by the Carnegie Council for Ethics and International Affairs and the George Washington University. The principal aim of the Agenda is to bring together academic experts, Congressmen and staffs, and businessmen concerned with U.S.-Japan trade to examine the problems and work toward solutions. While acknowledging the importance of macro-economic factors impinging upon U.S.-Japan economic relations, the Agenda has been focusing on sectoral analysis. Following an active program of seminars, dinner briefings, and publications during FYs 1985 and 1986, renewed Commission funding in FY 1987 should allow the Agenda to achieve maximum impact in the year ahead.

A somewhat similar effort is the West Coast Forum on the Japanese Political Economy, which is sponsored by the Society for Japanese Studies at the University of Washington. The objective of the Forum is to mobilize Japan scholars on the West Coast into a public-oriented group which would be able to bring its expertise and scholarship to non-academic audiences interested in Japan, e.g., businessmen, government officials, media, etc. Under a major Commission grant, the Forum is holding seminars and preparing publications on U.S.-Japan economic issues.

At the request of the American Chamber of Commerce in Japan, the Commission made a grant to hire a researcher to study problems of market access for American firms in Japan. Drawing on both American and Japanese institutions and data, it is hoped that the project will throw some light on this vexing issue in U.S.-Japan relations.

Another contentious economic issue — the Japanese distribution system — is being examined by economists at North Carolina State University under a Commission grant. The study should reveal the relative importance of this factor in the overall problem of American sales in Japan.

A grant was made to the School of Advanced International Studies, Johns Hopkins University, to prepare a briefing booklet on U.S.-Japan relations. Intended for non-Japan specialists interested in the subject, the booklet has been well-received in the Congress, executive branch, universities, media, etc.

In its effort to assist non-traditional centers of Japanese Studies, the Commission was able to identify worthy research projects at universities which had not received funding before, e.g., Washington State University, University of South Florida, University of Nevada, Northwestern University, and Mississippi State University. The projects included studies of nuclear power, health insurance, financial liberalization, education, and trade and security relationships.

Although funding under this category has been increasing, the Commission believes that the full potential for useful work has not been reached. It is hoped, therefore, that additional opportunities will be forthcoming in the future.

### 4. The Arts

The Commission's philosophy in the Arts continues to be one of selective support for the highest quality groups and projects — and, occasionally, for those avant-garde artists and works at the cutting edge of art in the two countries. The Commission likewise strives for a balance among the Arts disciplines, including dance, theatre, and the visual arts.

The Commission works closely with the National Endowment for the Arts (NEA) and the Japanese Agency for Cultural Affairs in sponsoring the U.S.-Japan Creative Artists Exchange Fellowship Program. The national competition for the five fellowships awarded annually to the American participants is administered by NEA, and draws hundreds of applications from established creative artists in a wide range of disciplines. The winners spend from a minimum of six months to a full year in Japan, studying Japanese culture and its manifestations in their particular field.

The most significant Commission-sponsored cultural exhibition during this period was an unusually imaginative work organized by Martin Friedman, Director of the Walker Art Center in Minneapolis, entitled "Tokyo: Form and Spirit." This expansive exhibition showcased design (with particular attention to Japan's *New Wave* architects) as a central art form of Japan, and focused on Tokyo as a cacophonous metropolis where deeply-rooted Japanese traditions co-exist with high-tech innovations and present-day creative expression. After attracting a near-record audience in Minneapolis in early 1986, the exhibition traveled to Los Angeles, San Francisco, and New York.

Japanese performances in the U.S. included *JORURI*, a collaborative opera which integrated Japanese musical and dramatic forms with those of the West. *JORURI* was performed by an American cast at the Opera Theatre of St. Louis during its 1985 season. Another significant undertaking was a prototype version of Lee Breuer's "The Warrior Ant", which brought Bunraku performers from Osaka for a 1986 summer performance at the Alice Tully Theatre in New York.

The Commission continued to make selections of the finest in American theatre and dance available to Japanese audiences. Circle Repertory Theatre of New York undertook a highly successful and widely acclaimed performance tour of Japan, and such noted dance troupes as the American Dance Festival, the Elisa Monte Dance Company, and the Lewitsky Dance Company were funded for similar tours and workshops.

In the visual arts field, the Commission initiated a multi-year exchange of museum directors and curators, and sponsored several exhibitions of Japanese art at American museums.

The Commission recognizes that it must take an increasingly selective approach to Arts funding, given pressures in other programs areas. However, it continues to fund Arts projects which promise to further real improvement in cultural understanding between the two countries, believing that this, in the long run, can be an important pillar of support for our crucial bilateral relationship. This is especially so in times when we confront strains over trade deficits and other short-term issues.

### 5. *Public Affairs/Education*

This category grew in importance as the Commission strove to broaden its constituency throughout the U.S. and to emphasize projects which assisted in disseminating information on major issues and potential areas of cooperation between the two countries. New grants reflecting this trend include those to the U.S.-Japan Trade Study Group for a project to encourage small and medium-sized U.S. businesses to export to Japan, and to the U.S. Association of Former Member of Congress for a binational conference on aging.

The Commission's regional outreach program acquired greater depth and breadth through the development and funding of projects with Sister Cities International — to help stimulate sister city affiliations and exchanges between Japan and our Midwest — and with the Japan Center for International Exchange for an examination of relationships between our Southeast and selected regions of Japan. The Commission also made a first-time grant to the National Association of America — Japan Societies in Tokyo for a working tour of the U.S. by Japanese community leaders.

The core of the Commission's regional program remained the network of Japan-America societies which the Commission has supported since 1979. This funding has allowed societies in thirteen American cities to hire professional staff and to move from purely social/cultural programs to serious, continuing public affairs programs on Japan and U.S.-Japan issues. The years 1985-86 saw a maturing of this

program, as an increasing number of societies moved from dependence on direct budgetary support to structural independence with the capacity to absorb efficiently Commission grants tied to specific society-sponsored events. Particularly interesting and successful programs included a series of luncheon lectures on issues in U.S.-Japan high technology trade (San Francisco); a Japan Mid-America business conference in St. Louis featuring case studies of U.S. business successes in Japan; a seminar in Atlanta on the role of increasing productivity in U.S.-Japan competition for world markets; and, a conference on the problems of aging in the two countries (Houston). Reflecting an endorsement of the Commission's management of the regional program, the Government of Japan made a second contribution of \$2 million in 1986 to support continuing efforts in this area.

The Commission also sponsored a modest media program, but, given funding and staff limitations, moved cautiously in this area. In an effort to expose the American viewing public to an excellent existing series on Japanese society and culture, the Commission funded a redistribution on PBS of the Reischauer series, *Japan: The Changing Tradition*. These programs were carried by over 100 PBS affiliates during the winter/spring of 1985-86. And, in a move to focus its media funds on contemporary bilateral issues, the Commission supported the following programs for PBS: "Trade War: A Short Course on the Tokyo Summit", produced by WGBH/Boston and aired during the spring of 1986; and, a Pacific Basin Institute/KCET special on current bilateral issues featuring

author David Halberstam, UAW President-emeritus Douglas Fraser, and Congressman Ralph Regula of Ohio, which was broadcast on KCET/Los Angeles during the fall of 1985.

The Commission restricted its grants for exchanges to modest, profession-specific programs involving journalists, lawyers, and parliamentarians. The one exception to this trend, a grant to the Japan-U.S. Student Conference in 1985, was the last of a series of grants designed to assist that organization in achieving financial self-sufficiency.

In all of the following tables, figures are given in dollars or yen currency in which the transaction occurred or which is pertinent to the item being reported on to reflect the activities and/or status of the two separate funds administered by the Commission. Where it is useful to do so, as where the totals of transactions in the yen fund are given, the dollar equivalent of a yen amount may also be provided. In these instances, an exchange rate of ¥217 = \$1, the official rate of exchange in Tokyo on September 30, 1985, is used.

**Grants Awarded in Fiscal Year 1985  
October 1, 1984 – September 30, 1985  
Appropriated Funds**

| Grants Awarded                                                                                                                                                              | U.S.<br>Dollar<br>Grants | Japanese<br>Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------|
| <b>A. JAPANESE STUDIES IN AMERICAN EDUCATION</b>                                                                                                                            |                          |                        |
| <i>Language</i>                                                                                                                                                             |                          |                        |
| 1. <i>Stanford University, for the Inter-University Center for Japanese Language Studies, Tokyo, for advanced Japanese language training for American graduate students</i> |                          | 54,396,000             |
| 2. <i>North Carolina State University, for a televised Japanese language program involving ten regional colleges and universities</i>                                       | 60,601                   |                        |
| <i>Research</i>                                                                                                                                                             |                          |                        |
| 3. <i>University of Washington, Society for Japanese Studies, for publication of "The Journal of Japanese Studies"</i>                                                      | 15,796                   |                        |
| 4. <i>Social Science Research Council, for post-doctoral research in Japan by American Scholars</i>                                                                         | 60,000                   | 20,000,000             |
| 5. <i>Social Science Research Council, for a study on "Social Criticism in Interwar Japan"</i>                                                                              | 6,262                    |                        |
| 6. <i>Social Science Research Council, for a study on Japan's economic policy</i>                                                                                           | 21,758                   |                        |
| <i>Libraries</i>                                                                                                                                                            |                          |                        |
| 7. <i>To the libraries of the following universities and consortia of universities for acquiring Japanese materials, preparing</i>                                          |                          |                        |

| Grants Awarded                                                                                                                                                                        | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| bibliographies and catalogues, planning and coordinating purchases, improving services to outside scholars and institutions, and/or providing services to non-university communities: |                    |                     |
| a. Eastern Consortium - <i>Columbia University</i> , on behalf also of Harvard, Princeton and Yale Universities                                                                       |                    | 16,000,000          |
| b. Western Consortium - <i>The University of California, Berkeley</i> , also on behalf of Stanford University                                                                         |                    | 8,000,000           |
| c. Midwest Consortium - <i>The University of Michigan</i> , also on behalf of the University of Chicago                                                                               | 8,852              | 11,500,000          |
| d. <i>The University of Hawaii</i>                                                                                                                                                    | 11,690             | 1,171,000           |
| e. <i>The University of Washington</i>                                                                                                                                                |                    | 4,000,000           |
| <b>Professional Studies</b>                                                                                                                                                           |                    |                     |
| 8. To the following Graduate Schools of Business, for the introduction of course material on Japanese business practices into their curricula:                                        |                    |                     |
| a. <i>Stanford University</i>                                                                                                                                                         | 50,000             |                     |
| b. <i>New York University</i>                                                                                                                                                         | 52,300             |                     |
| c. <i>Cornell University</i>                                                                                                                                                          | 44,000             |                     |
| d. <i>UCLA</i>                                                                                                                                                                        | 50,000             |                     |
| 9. <i>Columbia University Graduate School of Journalism</i> , for two fellowships, including internships in Japan, for future American reporters on Japan                             | 34,320             |                     |
| 10. <i>University of Michigan, Committee on Japanese Economic Studies</i> , for graduate training of economic specialists on Japan                                                    | 84,000             |                     |
| 11. <i>The University of Washington Law School Foundation, Seattle</i> , for postdoctoral training in Japanese law                                                                    | 49,950             |                     |
| 12. <i>The University of South Carolina College of Business Administration</i> , for training of Japanese specialists in the Masters of International Business program                | 20,000             |                     |

| Grants Awarded                                                                                                                                                                        | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>Faculty and Curriculum Development</b>                                                                                                                                             |                    |                     |
| 13. <i>The Association for Asian Studies/Northeast Asia Council</i> , for a Distinguished Lecturer series, research travel grants, regional seminars, and language teaching workshops | 45,000             |                     |
| 14. <i>Council of Chief State School Officers</i> , for study tour to Japan of school administrators; and compilation of database on teaching about Japan                             | 84,942             |                     |
| 15. <i>Amherst College</i> , for exchange of faculty between thirteen member institutions of the Associated Kyoto Program and Doshisha University                                     | 25,000             | 6,500,000           |
| 16. <i>Japan Society, Inc.</i> , for 1985 Translation Prize of Japanese literature                                                                                                    | 7,066              |                     |
| <b>TOTAL FOR JAPANESE STUDIES:</b>                                                                                                                                                    | <b>731,537</b>     | <b>121,567,000</b>  |

| Grants Awarded                                                                                                                                                                                          | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>B. AMERICAN STUDIES IN JAPANESE EDUCATION</b>                                                                                                                                                        |                    |                     |
| <i>Research Centers</i>                                                                                                                                                                                 |                    |                     |
| 1. <i>Doshisha University, Kyoto</i> , for book acquisitions, research support, and seminars of the Center for American Studies                                                                         |                    | 9,240,000           |
| 2. <i>University of Tokyo Center for American Studies</i> , for book acquisitions, seminars, publication of a bulletin, and other activities of the Center                                              |                    | 14,160,000          |
| <i>Faculty and Curriculum Development</i>                                                                                                                                                               |                    |                     |
| 3. <i>The International House of Japan, Tokyo</i> , for intensive English language and cultural orientation at Cornell University for Japanese scholars preparing for research in American universities |                    | 4,518,000           |
| 4. <i>Osaka University</i> , for training of a member of the Faculty of Law at Columbia University                                                                                                      | 8,595              | 6,811,540           |
| 5. <i>Keio University, Tokyo</i> , for training of a future professor of American Studies, at Johns Hopkins University                                                                                  |                    | 6,155,780           |
| 6. <i>Keio University</i> , for the purchase of books, maps, and other materials for American Studies program                                                                                           | 7,130              | 720,000             |
| 7. <i>Osaka University</i> , for books and materials for a new American Studies course                                                                                                                  |                    | 250,000             |
| 8. <i>Sophia University, Tokyo</i> , for one full credit lecture course and seminars by visiting scholars                                                                                               |                    | 702,000             |
| 9. <i>Saitama University</i> , for two full credit seminar courses by visiting scholars                                                                                                                 |                    | 702,260             |

| Grants Awarded                                                                                                                                                                                                                    | U.S. Dollar Grants | Japanese Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 10. <i>University of the Ryukyus</i> , for two full credit lecture courses and seminars by visiting scholars                                                                                                                      |                    | 1,183,920           |
| 11. <i>The Hokkaido Association for American Studies</i> , Sapporo, for a seminar in American Studies at Hokkaido University, featuring American scholars                                                                         | 11,250             | 9,890,000           |
| 12. <i>The International House of Japan, Tokyo</i> , for the Nitobe Fellowships program of research at American universities by Japanese social scientists in American Studies                                                    |                    | 17,570,000          |
| 13. <i>Doshisha University</i> , for the Kyoto American Studies Summer Seminar, for American and Japanese faculty and students, jointly with the Japan Society for the Promotion of Science and Kyoto University                  |                    | 5,000,000           |
| 14. <i>Osaka University</i> , for a combined program in American and Japanese Studies in teaching, seminars, and assistance to visiting American scholars, jointly with Kobe University and Osaka University of Foreign Languages |                    | 9,900,000           |
| <i>Faculty Research</i>                                                                                                                                                                                                           |                    |                     |
| 15. <i>The American Council of Learned Societies</i> , New York, for research in the United States by established Japanese scholars of American Studies                                                                           | 150,000            |                     |
| 16. <i>The American Studies Foundation</i> , Tokyo, for Japanese scholars of American Studies to attend conferences outside Japan                                                                                                 |                    | 3,739,700           |
| <i>Professional Training</i>                                                                                                                                                                                                      |                    |                     |
| 17. <i>Duke University</i> , for fellowships to visiting Japanese journalists                                                                                                                                                     | 2,430              |                     |
| <b>TOTAL FOR AMERICAN STUDIES:</b>                                                                                                                                                                                                | <b>179,405</b>     | <b>90,543,200</b>   |

| Grants Awarded                                                                                                                                                | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>C. POLICY-ORIENTED RESEARCH</b>                                                                                                                            |                    |                     |
| 1. <i>U.S. Department of Education</i> , for a two-year, binational study of U.S. and Japanese educational systems                                            | 178,000            |                     |
| 2. <i>Hoover Institution</i> , for research on the organization and administration of Japan's defense establishment                                           | 20,261             | 9,209,780           |
| 3. <i>Stanford University</i> , for the final phase of a multi-year study of high technology firms in the U.S. and Japan                                      | 33,560             |                     |
| 4. <i>The George Washington University</i> , for binational research into the means by which the U.S. and Japan transfer technology to Thailand and Indonesia | 33,025             |                     |
| 5. <i>Washington State University</i> , for comparative research on the use of nuclear power in Japan and the U.S.                                            | 21,258             | 1,362,500           |
| 6. <i>University of South Florida</i> , for research on health care policy and administration in Japan                                                        | 7,800              | 3,000,000           |
| 7. <i>Carnegie Council on Ethics and International Affairs</i> , for research, publication, and seminars on sectoral problems in U.S.-Japan trade             | 50,000             |                     |
| 8. <i>Japan Center for International Exchange</i> , for a conference on comparative U.S.-Japan labor issues                                                   | 20,000             | 4,760,000           |
| <b>TOTAL FOR POLICY-ORIENTED RESEARCH:</b>                                                                                                                    | <b>363,904</b>     | <b>18,332,280</b>   |

| Grants Awarded                                                                                                                                                                                                                                                                                                 | U.S. Dollar Grants | Japanese Yen Grants |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>D. THE ARTS</b>                                                                                                                                                                                                                                                                                             |                    |                     |
| <i>Exchange Fellowships for Creative Artists</i>                                                                                                                                                                                                                                                               |                    |                     |
| Jointly sponsored program funded by the Japan-United States Friendship Commission, the U.S. National Endowment for the Arts, and the Agency for Cultural Affairs (Bunka-cho) of the Japanese Government. The Funds devoted to this program include \$75,000 received from the National Endowment for the Arts. |                    |                     |
| 1. Grant funds for the artists in FY 1985 (Administered in Japan for the Commission by the International House of Japan, Inc.)                                                                                                                                                                                 | 22,588             | 25,000,000          |
| 2. <i>Asian Cultural Council</i> , New York, for support services for Japanese artists in the United States under the program                                                                                                                                                                                  | 18,000             |                     |
| <i>American Performances/Exhibits in Japan</i>                                                                                                                                                                                                                                                                 |                    |                     |
| 3. <i>Kei Takei Moving Earth</i> , for dance tour in Japan                                                                                                                                                                                                                                                     | 25,000             |                     |
| 4. <i>Circle Repertory Theatre</i> , for 1985 performance tour in Japan                                                                                                                                                                                                                                        | 60,000             | 7,800,000           |
| 5. <i>Institute of Dramatic Arts (DARTS)</i> , for preparations for 1985 Circle Repertory Theatre Tour in Japan                                                                                                                                                                                                |                    | 388,700             |
| 6. <i>The Fiji Company</i> , for performances at the 1985 Togamura Festival                                                                                                                                                                                                                                    | 21,500             | 910,000             |
| 7. <i>Japan Performing Arts Center</i> , for 1985 Toga International Program involving American actors' performances and training                                                                                                                                                                              | 14,300             | 3,300,000           |
| 8. <i>American Film Institute</i> , for 1986 Japan International Video Festival                                                                                                                                                                                                                                | 15,000             |                     |
| 9. <i>Elisa Monte Dance Company</i> , for 1985 Japan Tour                                                                                                                                                                                                                                                      | 25,000             |                     |

| Grants Awarded                                                                                             | U.S. Dollar Grants | Japanese Yen Grants |
|------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 10. <i>Bill T. Jones/Arnie Zane Company</i> , for participation in 1986 American Dance Festival Japan Tour | 10,000             |                     |
| 11. <i>Wacoal Corporation</i> , for U.S. abstract art exhibit in Tokyo                                     | 10,000             |                     |
| <i>Japanese Performances/Exhibits in the U.S.</i>                                                          |                    |                     |
| 12. <i>Asia Society</i> , for bringing Japanese performing artists to the U.S                              | 40,900             |                     |
| 13. <i>Opera Theatre of St. Louis</i> , for presentation of Japanese opera <i>JORURI</i>                   | 25,000             |                     |
| 14. <i>New Orleans Museum</i> , for exhibition and catalog on Japanese fan paintings                       |                    | 5,200,000           |
| 15. <i>American Federation of Art</i> , for an avant-garde video exhibit                                   | 30,000             |                     |
| 16. <i>Kings and Couriers Theatre Company</i> , for workshops on Kyogen techniques                         | 1,000              |                     |
| 17. <i>Morikami Museum</i> , for workshops on paper art                                                    | 1,100              |                     |
| <b>TOTAL FOR THE ARTS:</b>                                                                                 | <b>319,388</b>     | <b>42,598,700</b>   |

| Grants Awarded                                                                                                 | U.S. Dollar Grants | Japanese Yen Grants |
|----------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>E. PUBLIC AFFAIRS/EDUCATION</b>                                                                             |                    |                     |
| <i>Outreach</i>                                                                                                |                    |                     |
| 1. <i>Japan Society</i> , New York, for public affairs/outreach program                                        | 37,750             |                     |
| 2. <i>Associated Japan-America Societies, Inc.</i> , for program support to Japan-America societies nationwide | 71,000             |                     |
| 3. <i>Japan Society of Northern California</i> , for program and administrative support                        | 22,500             |                     |
| 4. <i>MIDDFEST International Foundation, Ohio</i> , for 1985 MIDDFEST International program on Japan           | 10,000             |                     |
| <i>Counterpart Exchanges</i>                                                                                   |                    |                     |
| 5. <i>International Press Institute</i> , for 1985 U.S.-Japan Journalist Exchange Program                      | 52,000             |                     |
| 6. <i>Japan-Hawaii Lawyers Association</i> , for 1985 convention in Hiroshima                                  | 10,000             |                     |
| 7. <i>Japan-America Student Conference</i> , for program support of meeting in U.S.                            | 22,500             |                     |
| 8. <i>International Education Center</i> , for support of the 1985 Japan-America Student Conference in Japan   |                    | 1,846,000           |
| 9. <i>U.S. Association of Former Members of Congress</i> , for a binational conference on aging held in Japan  | 20,000             |                     |
| <i>Media</i>                                                                                                   |                    |                     |
| 10. <i>Pacific Basin Institute</i> , for a film on American and Japanese labor unions                          | 50,000             |                     |
| 11. <i>Cambridge Forum</i> , for distribution to PBS of the series "Japan: The Changing Tradition"             | 29,000             |                     |
| 12. <i>Linda Feferman</i> , for a Japanese social drama entitled "Fourth Base"                                 | 8,600              | 4,463,000           |
| 13. <i>KUED/Salt Lake City</i> , for a film on Japanese movies                                                 | 3,000              |                     |



| Grants Awarded                                                                                                                    | U.S. Dollar Grants | Japanese Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <i>Other</i>                                                                                                                      |                    |                     |
| 14. <i>Asia Foundation</i> , for support of the Translation Service Center                                                        |                    | 12,500,000          |
| 15. <i>International House of Japan, Tokyo</i> , for assistance to American scholars, artists, and professional visitors to Japan |                    | 9,000,000           |
| 16. <i>Andrea Leers</i> , for study/publication on early 20th Century hotel architecture in Japan                                 | 15,520             |                     |
| <b>TOTAL FOR PUBLIC AFFAIRS/ EDUCATION:</b>                                                                                       | <b>351,870</b>     | <b>27,809,000</b>   |

| <i>TOTALS</i>                           |                  |                                                              |
|-----------------------------------------|------------------|--------------------------------------------------------------|
| Japanese Studies in American Education: | 731,537          | 121,567,000                                                  |
| American Studies in Japanese Education: | 179,405          | 90,543,200                                                   |
| Policy-Oriented Research:               | 363,904          | 18,332,280                                                   |
| The Arts:                               | 319,388          | 42,598,700                                                   |
| Public Affairs/Education:               | 351,870          | 27,809,000                                                   |
|                                         | <b>1,946,104</b> | <b>300,850,180</b>                                           |
| <b>Less Grant Refunds:</b>              | <b>- 29,980</b>  | <b>-</b>                                                     |
| <b>Net Totals:</b>                      | <b>1,916,124</b> | <b>300,850,180</b><br>(equivalent to<br><b>\$1,386,406</b> ) |

### Japanese Government Gift Fund (Non-Appropriated)

In addition, the following dollar grants were made in the PUBLIC AFFAIRS/ EDUCATION area in Fiscal Year 1985 with non-appropriated funds donated to the Commission in 1981 by the Japanese Government:

| GRANTEE                                          | AMOUNT           |
|--------------------------------------------------|------------------|
| Japan Society of Vermont                         | \$ 7,200         |
| Japan-America Society of Oregon                  | 28,800           |
| Japan-America Society of Southern California     | 55,000           |
| Japan-America Society of Houston                 | 30,000           |
| Institute for Studies in the Humanities (Utah)   | 20,000           |
| Japan-America Society of Washington, D.C.        | 50,000           |
| Japan-America Society of St. Louis               | 30,000           |
| Japan-America Society of Honolulu                | 30,000           |
| Japan-America Society of the State of Washington | 22,000           |
| Japan-America Society of Chicago                 | 20,000           |
| Japan Society of Boston                          | 20,000           |
| Japan Center of Tennessee                        | 30,563           |
| Mr. John Ware (Research Grant)                   | 5,000            |
| Japan-America Society of Georgia                 | 15,000           |
| St. Louis Children's Choir                       | 20,000           |
| Japan-America Society of Maine                   | 9,500            |
| Cincinnati Council on World Affairs              | 11,275           |
| Southern Center for International Studies        | 27,225           |
| Asia Society                                     | 25,000           |
| Japan Society of Northern California             | 1,100            |
| <b>TOTAL:</b>                                    | <b>\$457,663</b> |

### Japanese Gift Fund Financial Summary

|                         |                  |
|-------------------------|------------------|
| Balance, 9/30/84        | \$778,824        |
| Grants                  | (457,663)        |
| Administrative Expenses | ( 6,000)         |
| Interest Income         | 94,000           |
| Refunds on Grants       | 20,273           |
| <b>Balance, 9/30/86</b> | <b>\$429,434</b> |

**Administrative Expenses of the Commission in FY 1985**

|                                                                               | DOLLARS          | YEN                                                   |
|-------------------------------------------------------------------------------|------------------|-------------------------------------------------------|
| Personnel                                                                     | \$232,000        | ¥ 1,340,053                                           |
| General Services Administration for Payroll,<br>Accounting and Other Services | 52,000           |                                                       |
| Office Space                                                                  | 21,000           | 2,460,578                                             |
| Office Supplies and Utilities                                                 | 6,000            | 1,181,695                                             |
| Residential Rental and Heating                                                |                  | 2,949,711                                             |
| Travel, Transportation, and Communications                                    | 68,000           | 2,285,267                                             |
| Other                                                                         |                  | 790,672                                               |
| <b>TOTAL ADMINISTRATIVE COSTS:</b>                                            | <b>\$379,000</b> | <b>¥ 11,007,976</b><br>(equivalent to<br>US \$60,728) |

**Appropriated Dollar Fund**

**Income and Expense Statement**

*Fiscal Year 1985*  
*(10/1/84 through 9/30/85)*

**INCOME**

|                                               |                  |
|-----------------------------------------------|------------------|
| Net Interest (Earned Basis)                   | 1,539,014        |
| Received from National Endowment for the Arts | 75,000           |
| <b>TOTAL INCOME:</b>                          | <b>1,614,014</b> |

**EXPENSES**

|                                     |                  |
|-------------------------------------|------------------|
| Grants (Net of \$29,980 in refunds) | 1,916,124        |
| Administration                      | 379,000          |
| <b>TOTAL EXPENSES:</b>              | <b>2,295,124</b> |
| <b>GAIN or (LOSS)</b>               | <b>(681,110)</b> |

**Appropriated Dollar Fund**

**Status of Fund Statement**

*9/30/85*

|                                                   |                         |
|---------------------------------------------------|-------------------------|
| Original Appropriation, 1/1/76                    | 18,000,000              |
| Fund Balance, 9/30/84                             | 17,274,114 <sup>1</sup> |
| INCOME or (LOSS)                                  | (681,110) <sup>2</sup>  |
| <b>APPROPRIATED DOLLAR FUND BALANCE, 9/30/85:</b> | <b>16,593,004</b>       |

NOTE: 1. Excludes \$778,824 in Japanese Gift Funds (*Note:* These non-appropriated funds had been included in FY 82-84 Annual Reports in this total).

2. Amounts to 3.78% drawdown of original appropriation.

**Appropriated Yen Fund**

**Income and Expense Statement**

*Fiscal Year 1985*  
*(10/1/84 through 9/30/85)*

**INCOME**

|                                                            |                      |
|------------------------------------------------------------|----------------------|
| Interest on Japanese Government Bonds and Bank<br>Deposits | ¥ 326,673,921        |
| <b>TOTAL INCOME:</b>                                       | <b>¥ 326,673,921</b> |

**EXPENSES**

|                                      |                      |
|--------------------------------------|----------------------|
| Grants (net of ¥ 483,145 in refunds) | ¥ 300,367,035        |
| Administration                       | 11,007,976           |
| <b>TOTAL EXPENSES:</b>               | <b>¥ 311,375,011</b> |
| <b>GAIN or (LOSS)</b>                | <b>¥ 15,298,910</b>  |

**Appropriated Yen Fund**  
**Status of Fund Statement**  
 9/30/85

Original Appropriation:

|                            |                                    |
|----------------------------|------------------------------------|
| Received, 11/1/76          | ¥ 3,615,429,455                    |
| Balance Received, 10/22/79 | 325,683,316                        |
| Fund Balance, 9/30/84      | 3,995,368,711                      |
| Income or (Loss)           | 15,298,910                         |
| Fund Balance, 9/30/85      | ¥ 4,010,667,621                    |
|                            | (Equivalent to<br>US \$18,482,339) |

In all of the following tables, figures are given in dollars or yen currency in which the transaction occurred or which is pertinent to the item being reported on to reflect the activities and/or status of the two separate funds administered by the Commission. Where it is useful to do so, as where the totals of transactions in the yen fund are given, the dollar equivalent of a yen amount may also be provided. In these instances, an exchange rate of ¥ 154 = \$1, the official rate of exchange in Tokyo on September 30, 1986, is used.

**Grants Awarded in Fiscal Year 1986**  
**October 1, 1985 – September 30, 1986**  
**Appropriated Funds**

| Grants Awarded                                                                                                                                                                                                                                                                                                           | U.S.<br>Dollar<br>Grants | Japanese<br>Yen Grants |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------|
| <b>A. JAPANESE STUDIES IN AMERICAN EDUCATION</b>                                                                                                                                                                                                                                                                         |                          |                        |
| <i>Language</i>                                                                                                                                                                                                                                                                                                          |                          |                        |
| 1. <i>Stanford University, for the Inter-University Center for Japanese Language Studies, Tokyo, for advanced Japanese language training for American graduate students</i>                                                                                                                                              |                          | 57,116,000             |
| <i>Research</i>                                                                                                                                                                                                                                                                                                          |                          |                        |
| 2. <i>University of Washington, Society for Japanese Studies, for publication of "The Journal of Japanese Studies"</i>                                                                                                                                                                                                   | 15,904                   |                        |
| 3. <i>Social Science Research Council, for postdoctoral research in Japan by American scholars</i>                                                                                                                                                                                                                       |                          | 21,600,000             |
| 4. <i>Social Science Research Council, for a study on "Media and Politics in Japan"</i>                                                                                                                                                                                                                                  | 20,691                   |                        |
| <i>Libraries</i>                                                                                                                                                                                                                                                                                                         |                          |                        |
| 5. <i>To the Libraries of the following universities and consortia of universities for acquiring Japanese materials, preparing bibliographies and catalogues, planning and coordinating purchases, improving services to outside scholars and institutions, and/or providing services to non-university communities:</i> |                          |                        |

| Grants Awarded                                                                                                                                            | U.S. Dollar Grants | Japanese Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| a. Eastern Consortium - <i>Columbia University</i> , on behalf also of Harvard, Princeton and Yale Universities                                           |                    | 14,400,000          |
| b. Western Consortium - <i>The University of California, Berkeley</i> , also on behalf of Stanford University                                             |                    | 7,200,000           |
| c. Midwest Consortium - <i>The University of Michigan</i> , also on behalf of the University of Chicago                                                   | 3,600              | 10,660,500          |
| d. <i>The University of Hawaii</i>                                                                                                                        | 8,555              | 1,461,240           |
| e. <i>The University of Washington</i>                                                                                                                    |                    | 3,600,000           |
| <b>Professional Studies</b>                                                                                                                               |                    |                     |
| 6. To the following Graduate Schools of Business, for the introduction of course material on Japanese business practices into their curricula:            |                    |                     |
| a. <i>Stanford University</i>                                                                                                                             | 50,000             |                     |
| b. <i>New York University</i>                                                                                                                             | 20,000             |                     |
| c. <i>Cornell University</i>                                                                                                                              | 50,000             |                     |
| d. <i>University of California, Los Angeles</i>                                                                                                           | 50,000             |                     |
| e. <i>University of Pennsylvania, Lauder Institute</i>                                                                                                    | 42,000             |                     |
| 7. <i>Columbia University Graduate School of Journalism</i> , for two fellowships, including internships in Japan, for future American reporters on Japan | 62,608             |                     |
| 8. <i>University of Michigan</i> , Committee on Japanese Economic Studies, for graduate training of economic specialists on Japan                         | 83,000             |                     |
| <b>Faculty and Curriculum Development</b>                                                                                                                 |                    |                     |
| 9. <i>Amherst College</i> , for the exchange of faculty between 13 member institutions of the Associated Kyoto Program and Doshisha University            | 25,000             | 4,500,00            |
| 10. <i>University of Illinois at Chicago</i> , for a planning study on exchange of Japanese and American school teachers and students                     | 10,188             |                     |

| Grants Awarded                                                                                                                                                                        | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 11. <i>City College of New York</i> , for a faculty exchange program with Tokyo Metropolitan University                                                                               | 17,300             | 2,000,000           |
| 12. <i>College and University Partnership Program</i> , for the development of undergraduate business education in Japanese Studies at U.S. regional universities                     |                    | 3,000,000           |
| 13. <i>University of Montana</i> , for exchange of professors with Kumamoto University                                                                                                | 2,468              |                     |
| 14. <i>Dominican College</i> , for fellowship support in Japanese/Pacific Basin Studies                                                                                               | 60,000             |                     |
| 15. <i>The Association for Asian Studies/Northeast Asia Council</i> , for a Distinguished Lecturer series, research travel grants, regional seminars, and language teaching workshops | 59,455             |                     |
| 16. <i>Council of Chief State School Officers</i> , for printing of data base on teaching about Japan                                                                                 | 4,800              |                     |
| <b>TOTAL FOR JAPANESE STUDIES</b>                                                                                                                                                     | <b>585,569</b>     | <b>125,537,740</b>  |

| Grants Awarded                                                                                                                                                                                 | U.S. Dollar Grants | Japanese Yen Grants |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>B. AMERICAN STUDIES IN JAPANESE EDUCATION</b>                                                                                                                                               |                    |                     |
| <i>Research Centers</i>                                                                                                                                                                        |                    |                     |
| 1. <i>Doshisha University</i> , Kyoto, for book acquisitions, research support, and seminars of the Center for American Studies                                                                |                    | 9,240,000           |
| 2. <i>University of Tokyo Center for American Studies</i> , for book acquisitions, seminars, publication of a bulletin, and other activities of the Center                                     |                    | 14,250,000          |
| <i>Faculty and Curriculum Development</i>                                                                                                                                                      |                    |                     |
| 3. <i>The International House of Japan, Tokyo</i> , for intensive English language and cultural orientation at Cornell University for Japanese scholars preparing for research in universities |                    | 2,700,000           |
| 4. <i>Keio University</i> , Tokyo, for training of a future Professor of American Studies at Johns Hopkins University                                                                          |                    | 2,670,000           |
| 5. <i>Kobe University</i> , for the training of a professor of economics at Harvard University                                                                                                 |                    | 4,118,000           |
| 6. <i>Hosei University</i> , for the training of a professor of economics at Massachusetts Institute of Technology                                                                             |                    | 6,940,400           |
| 7. <i>Osaka University</i> , for publication of a textbook on the U.S.-Japan trade relationship                                                                                                |                    | 390,000             |
| 8. <i>Saitama University</i> , for lecture and courses on American Studies by visiting scholars                                                                                                |                    | 536,800             |
| 9. <i>Kumamoto University and University of Commerce</i> , for exchange of visiting professors with the University of Montana and Montana State University                                     |                    | 1,242,280           |
| 10. <i>Sapporo Gakuin University</i> , for lectures and courses on American Studies by visiting scholars                                                                                       |                    | 378,415             |

| Grants Awarded                                                                                                                                                                                                                    | U.S. Dollar Grants | Japanese Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 11. <i>University of the Ryukyus</i> , for sending a professor to the U.S. on a consultation tour of major American Studies programs at U.S. universities.                                                                        |                    | 400,000             |
| 12. <i>The Hokkaido Association for American Studies</i> , Sapporo, for a seminar in American Studies at Hokkaido University, featuring American scholars                                                                         | 2,500              | 11,035,000          |
| 13. <i>The International House of Japan</i> , Tokyo, for the Nitobe Fellowships program of research at American universities by Japanese social scientists in American Studies                                                    |                    | 14,250,000          |
| 14. <i>Doshisha University</i> , for the Kyoto American Studies Summer Seminar, for American and Japanese faculty and students, jointly with the Japan Society for the Promotion of Science and Japan-U.S. Education Commission   |                    | 5,000,000           |
| 15. <i>Osaka University</i> , for a combined program in American and Japanese Studies in teaching, seminars, and assistance to visiting American scholars, jointly with Kobe University and Osaka University of Foreign Languages |                    | 9,900,000           |
| 16. <i>Japanese University Library Committee</i> , for travel of Japanese librarians to a Japan-U.S. Seminar on Library Technology                                                                                                |                    | 1,056,000           |
| <i>Other</i>                                                                                                                                                                                                                      |                    |                     |
| 17. <i>The American Studies Foundation, Inc.</i> , for Japanese scholars of American Studies to attend conferences outside Japan                                                                                                  |                    | 4,351,800           |
| 18. <i>Duke University</i> , for fellowships to visiting Japanese journalists                                                                                                                                                     | 1,392              |                     |
| 19. <i>Tohoku American Studies Association</i> , for a U.S.-Japan Trade Forum in Sendai                                                                                                                                           |                    | 1,098,500           |
| 20. <i>University of Hawaii</i> , for research by Sharon Minichiello on a history of American Studies in Japan                                                                                                                    |                    | 170,000             |

| Grants Awarded                                                                                                                                                                                     | U.S. Dollar Grants | Japanese Yen Grants |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 21. <i>Professor George Akita</i> , Tokyo, for preparation of a manuscript in English and Japanese on a comparative study of U.S. and Japanese experiences in constitutionalism and party politics |                    | 263,500             |
| <b>TOTAL FOR AMERICAN STUDIES:</b>                                                                                                                                                                 | <b>3,892</b>       | <b>89,990,695</b>   |

| Grants Awarded                                                                                                                                          | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>C. POLICY-ORIENTED RESEARCH</b>                                                                                                                      |                    |                     |
| 1. <i>University of Washington, Society for Japanese Studies</i> , for the West Coast Forum on the Japanese Political Economy                           | 57,300             |                     |
| 2. <i>North Carolina State University</i> , for a study of allegedly anticompetitive practices in the distribution of consumer products in Japan        | 43,749             |                     |
| 3. <i>Johns Hopkins University, School of Advanced International Studies</i> , for a briefing booklet on U.S.-Japan relations                           | 19,250             |                     |
| 4. <i>American Chamber of Commerce in Japan</i> , for research on market access for U.S. firms in Japan                                                 |                    | 7,000,000           |
| 5. <i>Carnegie Council on Ethics and International Affairs</i> , for seminars on sectoral problems in U.S.-Japan trade                                  | 8,860              |                     |
| 6. <i>Mississippi State University</i> , for a research seminar on U.S.-Japan trade frictions and security considerations                               | 21,890             |                     |
| 7. <i>Stanford University</i> , for research on Japan's defense management                                                                              | 19,171             |                     |
| 8. <i>University of Illinois/Urbana</i> , for a study of the local educational impact of the new Japanese automobile plant in Normal, Illinois          | 5,000              |                     |
| 9. <i>Northwestern University</i> , for a preliminary study on the high school-work transition in the U.S. and Japan                                    | 5,000              |                     |
| 10. <i>University of Nevada/Reno</i> , for a comparative study on Japanese financial liberalization                                                     | 4,100              |                     |
| 11. <i>National Academy of Science</i> , Washington, D.C., for a study mission to Japan to examine security-related controls on high technology exports |                    | 1,000,000           |
| <b>TOTAL FOR POLICY-ORIENTED RESEARCH:</b>                                                                                                              | <b>184,320</b>     | <b>8,000,000</b>    |

| Grants Awarded                                                                                                                                                                                                                                                                                                 | U.S. Dollar Grants | Japanese Yen Grants |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>D. THE ARTS</b>                                                                                                                                                                                                                                                                                             |                    |                     |
| <i>Exchange Fellowships for Creative Artists</i>                                                                                                                                                                                                                                                               |                    |                     |
| Jointly sponsored program funded by the Japan-United States Friendship Commission, the U.S. National Endowment for the Arts, and the Agency for Cultural Affairs (Bunka-cho) of the Japanese Government. The funds devoted to this program include \$75,000 received from the National Endowment for the Arts. |                    |                     |
| 1. Grant funds for the artists in FY 1986 (administered in Japan for the Commission by the International House of Japan)                                                                                                                                                                                       | 27,403             | 25,000,000          |
| 2. <i>Asian Cultural Council</i> , New York, for support services for Japanese artists in the United States under the program                                                                                                                                                                                  | 29,760             |                     |
| <i>American Performances/Exhibits in Japan</i>                                                                                                                                                                                                                                                                 |                    |                     |
| 3. <i>American Dance Festival</i> , 1986 Japan Residency (performances and workshops in Japan)                                                                                                                                                                                                                 | 36,500             | 3,170,150           |
| 4. <i>Lewitsky Dance Company</i> , 1986 Japan tour                                                                                                                                                                                                                                                             |                    | 8,954,000           |
| 5. <i>Tsurumoto Room Ltd.</i> , for a "New York Correspondences" contemporary art exhibit in Tokyo                                                                                                                                                                                                             |                    | 2,288,800           |
| 6. <i>TV-Video Festival Organizing Committee</i> , for a 1986 Japan TV-Video Art Festival                                                                                                                                                                                                                      |                    | 4,230,000           |
| 7. <i>Institute for Dramatic Arts (DARTS)</i> , Tokyo, for assistance in selecting American Repertory Theatre Company for 1987 Japan tour and for initial consultations with selected company                                                                                                                  |                    | 1,077,340           |
| 8. <i>Theatre Communications Group</i> , for assistance in selecting American Repertory Theatre Company for 1987 Japan tour                                                                                                                                                                                    | 1,500              |                     |

| Grants Awarded                                                                                                                                                                        | U.S. Dollar Grants | Japanese Yen Grants |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 9. <i>Japan Performing Arts Center</i> , to assist in bringing three U.S. performance groups to the 1986 Togamura Festival                                                            |                    | 4,879,400           |
| 10. <i>Japan Performing Arts Center</i> , for 1986 Toga International Program involving American actors performances and training                                                     | 14,300             | 3,257,100           |
| <i>Japanese Performances/Exhibits in the U.S.</i>                                                                                                                                     |                    |                     |
| 11. <i>Walker Art Center</i> , Minneapolis, in support of "Tokyo: Form and Spirit" Exhibit                                                                                            | 5,900              | 13,355,000          |
| 12. <i>Japan Society of Boston</i> , in support of Kiita Noh theatre tour in Boston                                                                                                   | 12,800             |                     |
| 13. <i>Society for Photographic Education</i> , in support of Japanese participation in SPE National Conference                                                                       | 2,500              |                     |
| 14. <i>Detroit Institute of Art</i> , for symposia on a Muromachi ink painting exhibit                                                                                                | 28,000             |                     |
| 15. <i>Spencer Museum of Art, University of Kansas</i> , for a one-day symposium on the exhibit "Japanese Quest for a New Vision: The Impact of Visiting Chinese Artists, 1600-1900." | 2,000              |                     |
| 16. <i>Tact Productions</i> , to assist in bringing Bunraku performers from Osaka to New York for a prototype performance of "The Warrior Ant."                                       |                    | 2,520,000           |
| <i>Other</i>                                                                                                                                                                          |                    |                     |
| 17. <i>Ann Silver</i> , for a work/study program in Japan designed to improve the artistic elements in training the deaf in Japan                                                     | 6,100              | 3,149,000           |
| 18. <i>University Museums, Illinois State University</i> , for visit by director to Japanese folk art museums                                                                         | 2,300              |                     |
| 19. <i>Japan-America Society of Washington, D.C.</i> , in support of Kiita Noh theatre tour in Washington                                                                             |                    | 1,000,000           |
| <b>TOTAL FOR THE ARTS:</b>                                                                                                                                                            | <b>169,063</b>     | <b>72,860,790</b>   |

| Grants Awarded                                                                                                                                                                                     | U.S. Dollar Grants | Japanese Yen Grants |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>E. PUBLIC AFFAIRS/EDUCATION</b>                                                                                                                                                                 |                    |                     |
| <i>Outreach</i>                                                                                                                                                                                    |                    |                     |
| 1. <i>Southern Center for International Studies, Atlanta, for 1986 regional seminar on Japan</i>                                                                                                   | 29,000             |                     |
| 2. <i>National Association of America-Japan Societies, Tokyo, for a U.S. tour by Japanese local community leaders and for a meeting of working level officers of regional U.S.-Japan societies</i> | 13,640             | 3,529,200           |
| 3. <i>U.S.-Japan Trade Study Group, for a project designed to encourage small and medium-sized U.S. businesses to export to Japan; and toward the TSG 1986 Progress Report</i>                     | 33,000*            | 6,874,000           |
| 4. <i>Cincinnati Council on World Affairs, for a series of special programs on Japan</i>                                                                                                           | 10,500             |                     |
| 5. <i>Sister Cities International, for a project to help develop U.S. Midwest and Japan sister city affiliations and exchanges</i>                                                                 | 40,000             |                     |
| 6. <i>Tucker and Associates, Washington, D.C., in support of a trip to Japan for a U.S. Congressional Task Force on International Trade</i>                                                        |                    | 1,015,000           |
| 7. <i>Japan Center for International Exchange, for a study of U.S.-Japan regional relationships</i>                                                                                                | 15,700             | 6,665,900           |
| 8. <i>Santa Clara University, for a conference on high technology competition between the U.S. and Japan</i>                                                                                       | 1,200              |                     |
| <i>Counterpart Exchanges</i>                                                                                                                                                                       |                    |                     |
| 9. <i>United States Association of Former Members of Congress, for a U.S.-Japan parliamentary conference on U.S.-Japan trade issues</i>                                                            | 40,000             |                     |
| 10. <i>Japan-America Student Conference, for support of 1986 exchanges</i>                                                                                                                         | 20,000             |                     |

| Grants Awarded                                                                                                                                                  | U.S. Dollar Grants | Japanese Yen Grants |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| 11. <i>Arc-En-Ciel Foundation, for an exchange of U.S. and Japanese museum directors and curators</i>                                                           |                    | 4,700,000           |
| <i>Media</i>                                                                                                                                                    |                    |                     |
| 12. <i>PBS Station WGBH/Boston, for a one-hour PBS special entitled "Trade-War: A Short Course on the Tokyo Summit."</i>                                        | 45,000             |                     |
| 13. <i>Pacific Basin Institute, for a conference in Los Angeles, telecast by PBS station KCET/Los Angeles, on current issues in the U.S.-Japan relationship</i> | 20,800             |                     |
| 14. <i>World News Institute, for preparatory work on a TV documentary entitled "Can Americans Succeed in Business in Japan?"</i>                                | 49,430             |                     |
| 15. <i>Hawaii State Department of Education, Educational Television Division, for a PBS/ETV program entitled "Children of Japan."</i>                           | 18,743             |                     |
| 16. <i>Pacific Mountain Network, Denver, in support of a visit by ten PBS station presidents to Japan</i>                                                       |                    | 2,449,000           |
| <i>Other</i>                                                                                                                                                    |                    |                     |
| 17. <i>Asia Foundation, for support of the Translation Service Center</i>                                                                                       |                    | 10,000,000          |
| 18. <i>International House of Japan, for assistance to American scholars, artists, and professional visitors to Japan</i>                                       |                    | 9,000,000           |
| <b>TOTAL FOR PUBLIC AFFAIRS/EDUCATION:</b>                                                                                                                      | <b>337,013</b>     | <b>44,233,100</b>   |

\*Grant Agreement signed but funds not disbursed in FY 1986



|                                        |                  |                                                              |
|----------------------------------------|------------------|--------------------------------------------------------------|
| <b>TOTALS</b>                          |                  |                                                              |
| Japanese Studies in American Education | 585,569          | 125,537,740                                                  |
| American Studies in Japanese Education | 3,892            | 89,990,695                                                   |
| Policy-Oriented Research               | 184,320          | 8,000,000                                                    |
| The Arts                               | 169,063          | 72,860,790                                                   |
| Public Affairs/Education               | 337,013          | 44,233,100                                                   |
|                                        | <b>1,279,857</b> | <b>340,622,325</b>                                           |
| <b>Less Grant Refunds:</b>             | <b>- 41,226</b>  | <b>- 617,255</b>                                             |
| <b>Net Totals:</b>                     | <b>1,238,631</b> | <b>340,005,070</b><br>(equivalent to<br><b>\$2,207,825</b> ) |

**Japanese Government Gift Fund (Non-Appropriated)**

In addition, the following dollar grants were made in the Public Affairs/Education area with non-appropriated funds donated to the Commission by the Japanese Government:

| <b>GRANTEE</b>                                       | <b>AMOUNT</b>      |
|------------------------------------------------------|--------------------|
| Japan Society, Inc.                                  | \$1,029,000*       |
| Japan-America Society of Georgia                     | 60,000             |
| Associated Japan-America Societies of the U.S., Inc. | 59,000             |
| Institute for Studies in the Humanities (Utah)       | 35,000             |
| Japan-America Society of Washington, D.C.            | 30,000             |
| Japan-America Society of Oregon                      | 30,000             |
| Japan-America Society of Honolulu                    | 25,000             |
| Japan-America Society of Rhode Island                | 25,000             |
| Japan-America Society of the State of Washington     | 25,000             |
| Japan-America Society of St. Louis                   | 25,000             |
| Japan-America Society of Central Florida             | 20,000             |
| Japan Society of Boston                              | 14,200             |
| Japan Society of Vermont                             | 13,020             |
| Japan-America Society of Maine                       | 13,000             |
| Japan-America Society of Chicago                     | 10,000             |
| Japan-America Society of Houston                     | 8,355              |
| Japan Society of Northern California                 | 6,325              |
| <b>TOTAL:</b>                                        | <b>\$1,427,900</b> |

\*\$1,000,000 of this amount is a special pass-through grant requested by the Japanese Government with funds provided to the Commission in April, 1986.

**Japanese Gift Fund Financial Summary**

|                                                                      |                    |
|----------------------------------------------------------------------|--------------------|
| Balance, 9/30/85                                                     | \$ 429,434         |
| Additional Contribution from the Japanese Government,<br>April, 1986 | 3,000,000          |
| Grants                                                               | (1,427,900)        |
| Administrative Expenses                                              | ( 3,000)           |
| Treasury Note Premiums Paid                                          | (283,835)          |
| Interest Income                                                      | 18,526             |
| Refunds on Grants                                                    | 3,460              |
| <b>Balance, 9/30/86</b>                                              | <b>\$1,736,685</b> |

**Administrative Expenses of the Commission in FY 1986**

|                                                                                 | <b>DOLLARS</b>   | <b>YEN</b>                                             |
|---------------------------------------------------------------------------------|------------------|--------------------------------------------------------|
| Personnel                                                                       | \$230,000        | ¥ 3,669,608                                            |
| General Services Administration, for payroll,<br>accounting, and other services | 40,000           |                                                        |
| Office Space                                                                    | 34,500           | 2,038,059                                              |
| Office Supplies and Utilities                                                   | 17,800           | 1,580,964                                              |
| Residential Rental and Heating                                                  |                  | 4,515,814                                              |
| Travel, Transportation, and Communications                                      | 40,000           | 2,412,603                                              |
| Other                                                                           |                  | 930,243                                                |
| <b>TOTAL ADMINISTRATIVE COSTS</b>                                               | <b>\$362,300</b> | <b>¥15,147,291</b><br>(equivalent to<br>U.S. \$98,359) |

**Appropriated Dollar Fund**  
**Income and Expense Statement**

*Fiscal Year 1986*  
*(10/1/85 through 9/30/86)*

**INCOME**

|                                               |                    |
|-----------------------------------------------|--------------------|
| Net Interest (Earned Basis)                   | \$1,461,885        |
| Received from National Endowment for the Arts | <u>75,000</u>      |
| <b>TOTAL INCOME</b>                           | <b>\$1,536,885</b> |

**EXPENSES**

|                                     |                    |
|-------------------------------------|--------------------|
| Grants (Net of \$41,226 in refunds) | \$1,238,631        |
| Administration                      | <u>362,300</u>     |
| <b>TOTAL EXPENSES</b>               | <b>\$1,600,931</b> |

**Appropriated Dollar Fund**

**Status of Fund Statement**  
*9/30/86*

|                                                  |                     |
|--------------------------------------------------|---------------------|
| Original Appropriation, 1/1/76                   | \$18,000,000        |
| Fund Balance, 9/30/85                            | 16,593,004          |
| Income or (Loss)                                 | <u>(64,046)</u>     |
| <b>Appropriated Dollar Fund Balance, 9/30/86</b> | <b>\$16,528,958</b> |

**Appropriated Yen Fund**  
**Income and Expense Statement**

*Fiscal Year 1986*  
*(10/1/85 through 9/30/86)*

**INCOME**

|                                                         |                      |
|---------------------------------------------------------|----------------------|
| Interest on Japanese Government Bonds and Bond Deposits | ¥ 319,771,142        |
| <b>TOTAL INCOME</b>                                     | <b>¥ 319,771,142</b> |

**EXPENSES**

|                                         |                        |
|-----------------------------------------|------------------------|
| Grants (net of ¥617,255 in refunds)     | ¥ 340,005,070          |
| Net Premiums Paid for Portfolio Changes | 98,298,713             |
| Administration                          | <u>15,147,291</u>      |
| <b>TOTAL EXPENSES</b>                   | <b>¥ 453,451,074</b>   |
| <b>GAIN or (LOSS)</b>                   | <b>(¥ 133,679,932)</b> |

**Appropriated Yen Fund**  
**Status of Fund Statement**  
*9/30/86*

|                              |                                    |
|------------------------------|------------------------------------|
| Original Appropriation:      |                                    |
| Received, 11/1/76            | ¥ 3,615,429,455                    |
| Balance Received, 10/22/79   | 325,683,316                        |
| Fund Balance, 9/30/85        | 4,010,667,621                      |
| Income or (Loss)             | <u>(133,679,932)</u>               |
| <b>Fund Balance, 9/30/86</b> | <b>¥ 3,876,987,689</b>             |
|                              | (Equivalent to<br>US \$25,175,245) |

| Appropriated Dollar Fund           | Appropriated Yen Fund                            |
|------------------------------------|--------------------------------------------------|
| Income and Expense Statement       | Income and Expense Statement                     |
| For Year 1988                      | For Year 1988                                    |
| (Values in thousands of dollars)   | (Values in thousands of yen)                     |
| <b>INCOME</b>                      | <b>INCOME</b>                                    |
| Net Income (Capital Gain) and Bond | Interest (and Expense) Government Bonds and Bond |
| 1,111,000                          | 1,111,000                                        |
| 1,111,000                          | 1,111,000                                        |
| <b>TOTAL INCOME</b>                | <b>TOTAL INCOME</b>                              |
| 1,111,000                          | 1,111,000                                        |
| <b>EXPENSES</b>                    | <b>EXPENSES</b>                                  |
| Operating Expenses (in thousands)  | Operating Expenses (in thousands)                |
| 1,111,000                          | 1,111,000                                        |
| 1,111,000                          | 1,111,000                                        |
| <b>TOTAL EXPENSES</b>              | <b>TOTAL EXPENSES</b>                            |
| 1,111,000                          | 1,111,000                                        |
| <b>GAIN or (LOSS)</b>              | <b>GAIN or (LOSS)</b>                            |
| (0)                                | (0)                                              |

| Appropriated Dollar Fund                  | Appropriated Yen Fund                  |
|-------------------------------------------|----------------------------------------|
| Statement of Fund Balance                 | Statement of Fund Balance              |
| For Year 1988                             | For Year 1988                          |
| Original Appropriation, 1/1/78            | Original Appropriation, 1/1/78         |
| Fund Balance, 9/30/88                     | Fund Balance, 9/30/88                  |
| (Loss)                                    | (Loss)                                 |
| Appropriated Dollar Fund Balance, 9/30/88 | Appropriated Yen Fund Balance, 9/30/88 |
| 4,010,000                                 | 4,010,000                              |
| 4,010,000                                 | 4,010,000                              |
| <b>Balance, 9/30/88</b>                   | <b>Balance, 9/30/88</b>                |
| 4,010,000                                 | 4,010,000                              |
| <b>Balance or (Loss)</b>                  | <b>Balance or (Loss)</b>               |
| (0)                                       | (0)                                    |

